

## Message Text

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73

ACTION EB-07

INFO OCT-01 ARA-06 ISO-00 FEA-01 ERDA-05 AID-05 CEA-01

CIAE-00 CIEP-01 COME-00 DODE-00 FPC-01 H-02 INR-07

INT-05 L-03 NSAE-00 NSC-05 OMB-01 PM-04 USIA-06

SAM-01 OES-06 SP-02 SS-15 STR-04 TRSE-00 ACDA-07 PA-01

PRS-01 /098 W

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R 021836Z SEP 76

FM AMCONSUL RIO DE JANEIRO

TO SECSTATE WASHDC 4098

INFO AMEMBASSY BRASILIA

AMEMBASSY CARACAS

AMEMBASSY BUENOS AIRES

AMEMBASSY MEXICO CITY

AMCONSUL BELEM

AMCONSUL RECIFE

AMCONSUL SALVADOR

LIMITED OFFICIAL USE RIO DE JANEIRO 3349

DEPT PASS BUREAU OF MINES

E.O. 11652: N/A

TAGS : EMIN ENRG BR

SUBJECT : PETROBRAS CONFIRMS OFFSHORE OIL DISCOVERY IN AMAPA

REF: RIO DE JANEIRO 0380, CERP 0425

BEGIN UNCLASSIFIED

1. PETROBRAS, BRAZILIAN GOVERNMENT-OWNED OIL COMPANY, ANNOUNCED  
ON AUGUST 26 DISCOVERY OF OIL IN CACIPORE BASIN, 50 MILES OFF  
COAST OF AMAPA TERRITORY, NEAR MOUTH OF AMAZON RIVER. OIL  
FOUND AT 1169 METERS IN LIMESTONE FORMATION, WITH INITIAL FLOW  
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REPORTED TO BE 200 BARRELS/DAY. EXPLORATION DRILLING AT SITE

WILL CONTINUE TO 5000 METERS. WELL WAS 30TH DRILLED IN AREA OVER LAST 6 YEARS, BUT FIRST BELIEVED TO CONTAIN PETROLEUM IN COMMERCIAL QUANTITIES. MINES AND ENERGY MINISTER UEKI VISITED SITE (WELL APS-21, SUNK BU "KEY WEST" PLATFORM) NEXT DAY, ANNOUNCING AFTERWARDS THAT PETROBRAS EFFORTS IN AREA WILL BE INTENSIFIED (PETROBRAS LATER REVEALED THAT ONE OIL DRILLING PLATFORM WILL BE TRANSFERRED SHORTLY TO CACIPORE BASIN FROM CEARA, AND ANOTHER, ENROUTE TO BRAZIL FROM US, WILL BE DIRECTED TO AREA.)

END UNCLASSIFIED

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2. UEKI PERMITTED HIMSELF A "CERTAIN EUPHORIA" OVER DISCOVERY, UNDERSTANDABLE AFTER BRAZIL'S 20 YEARS OF EFFORT AND PROBABLY OVER \$1 BILLION INVESTED IN OIL EXPLORATION IN AREA. HOWEVER, OVERALL UEKI/PETROBRAS HANDLING OF DISCOVERY WAS RELATIVELY CIRCUMSPECT, THOUGH ONE UNOFFICIAL PETROBRAS SOURCE AT SITE DID VENTURE SUGGESTION - NO DOUBT UNVERIFIABLE ON BASIS VERY LIMITED INFORMATION CURRENTLY AVAILABLE - THAT FIELD COULD EXTEND OVER 15 TO 25 MILES. CONSERVATIVE OFFICIAL PETROBRAS STATEMENTS SEEM DESIGNED TO CONTINUE EFFORTS TO RECUPERATE CREDIBILITY DISSIPATED AFTER GREATLY EXAGGERATED ESTIMATES OF EARLY BRAZILIAN DISCOVERIES, PARTICULARLY CONCERNING EXTENT OF OFFSHORE FIELDS.

3. COMMENT: GEOLOGISTS HAVE LONG CONSIDERED OFFSHORE AMAZON AREA TO BE ONE OF MOST PROMISING PETROLEUM PROSPECTS IN BRAZIL. THUS, PRESENT DISCOVERY DOES NOT COME AS A SURPRISE TO INDUSTRY, THOUGH - UNTIL RECENT RUMORS OF APS-21'S PROBABLE SUCCESS - HISTORY OF PETROBRAS' EARLIER UNSUCCESSFUL EFFORTS IN AREA HAD NOT INSPIRED CONFIDENCE IN COMPANY'S ACTUAL ABILITY TO FIND PETROLEUM THOUGHT LIKELY TO BE PRESENT OFFSHORE. IN ANY CASE, EXPLORATION IN AREA WILL BE COSTLY, DIFFICULT AND TIME-CONSUMING, WITH NEAR-NORTH SEA CURRENTS AND A VERY COMPLICATED AND EXPENSIVE LOGISTICAL NETWORK LIKELY TO HAMPER EXPLORATION EFFORTS. THOUGH EXTENT OF ECONOMICALLY RECOVERABLE PETROLEUM IN CACIPORE BASIN REMAINS TO BE SEEN, INCREASED BRAZILIAN GOVERNMENT EXPLORATION IN AREA IS CERTAIN TO TAKE PLACE, FURTHER STRAINING PETROBRAS' ALREADY STRETCH OFFSHORE CAPABILITY.

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BILITIES. FIND MAY ALSO STIMULATE INCREASED PRIVATE SECTOR INTEREST IN CLOSEST RISK CONTRACT CONCESSIONS.

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4. EMBASSY BRASILIA CONCURS ABOVE MESSAGE.  
DEXTER

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
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**Concepts:** OFFSHORE OIL FIELDS, EXPLORATORY DRILLING  
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**Draft Date:** 02 SEP 1976  
**Decaption Date:** 01 JAN 1960  
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**Disposition Approved on Date:**  
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**Disposition Date:** 28 MAY 2004  
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**Disposition Reason:**  
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**Film Number:** D760334-0543  
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**To:** STATE  
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